

LAW OFFICES
WHEELER & WHEELER

SOUTHERN BUILDING 15TH & H STREETS, N. W.

BURTON K. WHEELER (1882-1975)
EDWARD K. WHEELER
ROBERT G. SEAKS
ELDON S. OLSON
RICHARD H. STRODEL
CHANDLER L. VAN ORMAN
RICHARD H. STREETER

WASHINGTON, D. C. 20005

(202) 347-7117

November 4, 1976

RECORDATION NO. 0555 Filed & Recorded

NOV 4 1976 10 11 AM

6-3094019

INTERSTATE COMMERCE COMMISSION

NOV 4 1976

Mr. Robert L. Oswald
Secretary
Interstate Commerce Commission
Washington, D. C. 20423

ICC Washington, D. C.

Re: Loan and Security Agreement

Dear Mr. Oswald:

1. Enclosed are three executed counterparts of a Loan and Security Agreement dated November 1, 1976. The Loan and Security Agreement is between the following parties:

Mortgagor: AUTO-TRAIN CORPORATION, a Florida corporation
1801 K Street, NW
Washington, D. C. 20006

Mortgagee: DISTRICT OF COLUMBIA NATIONAL BANK, N.A.
1801 K Street, NW
Washington, D. C. 20006

2. This Loan and Security Agreement is hereby submitted to the Secretary of the Interstate Commerce Commission for recording pursuant to 49 U.S.C. Sec. 20c and 49 C.F.R. Part 1116.

3. By the terms of the Loan and Security Agreement the following equipment is covered:

<u>Description of Equipment</u>	<u>Serial Numbers AT-*</u>
21 Bi-Level Auto Carriers	3-7, 10, 12, 14-18, 20-28
21 Tri-Level Auto Carriers	100-120
6 Steam Generators	130, 132, 134, 136-138

* All car numbers have the prefix AT-

Robert L. Oswald

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FEE OPERATION BUREAU

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Mr. Robert L. Oswald
November 1, 1976
Page Two.

<u>Description of Equipment</u>	<u>Serial Numbers AT-</u>
6 Single-Level Auto Carriers	190-193, 195, 196
8 Sleeper Cars	201-206, 304, 305
7 Mini-Dome Coaches	460-464, 470, 471
6 Full-Dome Coach-Dorms	510-515
5 Full-Dome Coaches	520-524
2 Full-Dome Night Club Cars	540-541
2 Maxi-Dome Night Club Cars	542-543
7 Buffets	570, 580, 590, 592, 594, 596, 598
4 Kitchen-Dorms	591, 595, 597, 599
10 Maxi-Dome Coaches	700-709
5 Maxi-Dome Diners	803, 804, 806-808
1 Maxi-Dome Coach-Lounge	902

4. Enclosed is the check of Wheeler & Wheeler in the amount of \$50 for the required recordation fee. Also enclosed is a copy of this letter which I should appreciate your acknowledging and returning to me in the enclosed self-addressed, stamped envelope.

5. Please return the original document to:

Edward K. Wheeler
Wheeler & Wheeler
704 Southern Building
Washington, D. C. 20005.

Thank you for your assistance.

Sincerely,



Edward K. Wheeler

Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

11/4/76


OFFICE OF THE SECRETARY

Edward K. Wheeler
Wheeler & Wheeler
704 Southern Building
Washington, D.C. 2005

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 20(c) of the Interstate Commerce Act, 49 U.S.C. 20(c), on 11/4/76 at 10/25am , and assigned recordation number(s) 8555

Sincerely yours,


Robert L. Oswald
Secretary

Enclosure(s)

SE-30
(5/76)

RECORDATION NO. 0555 Filed & Recorded

NOV 4 1976 10 21 AM

~~DISTRICT OF COLUMBIA~~

LOAN AND SECURITY AGREEMENT

THIS LOAN AND SECURITY AGREEMENT is made this 15 day of November, 1976, by and between DISTRICT OF COLUMBIA NATIONAL BANK, WASHINGTON, a national banking association having its principal business offices at 1801 K Street, N.W., Washington, D.C. (hereinafter called "Bank") and AUTO-TRAIN CORPORATION, a Florida corporation having its principal place of business at 1801 K Street, N.W., Washington, D.C. (hereinafter called "Borrower").

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Bank and Borrower hereby agree as follows:

ARTICLE I

COMMITMENT AND REPAYMENT

1. Subject to the terms and conditions of this Agreement, the Bank has agreed to advance to the Borrower, in one (1) advance, a sum of money not to exceed Six Hundred Thousand Dollars (\$600,000.00) (the "Loan"). The Loan will be used by the Borrower for working capital purposes.

2. Notwithstanding any contrary provision of this Agreement, at no time shall the amount advanced to the Borrower, or the principal amount of the Loan remaining unpaid exceed Sixty Percent (60%) of the unreimbursed amounts remaining under the "Insurance Claims" (as hereafter defined).

3. The unpaid principal balance of the Loan shall bear interest at a variable annual interest rate (the "Annual Rate") which, at all times, shall be equal to the sum of Two Percent (2%) per annum plus the so-called prime rate of interest established by and in effect at Provident National Bank, of

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Philadelphia, Pennsylvania, from time to time, with said prime rate to be adjusted and readjusted when and as said prime rate of interest changes. All interest hereunder shall be calculated at the Annual Rate (or Annual Rates) determined as aforesaid, on the daily outstanding loan balances, based upon a 30-day month and a 360-day year.

4. The Borrower shall repay (or Bank shall have received repayment of) the Loan, together with interest at the rate aforesaid in three (3) installments which shall be due and payable on the 31st day of December, 1976, the 28th day of February, 1977, and the 30th day of April, 1977, on which date the entire unpaid principal balance of the Loan, together with all unpaid accrued interest shall be due and payable in full. On each of the aforementioned installment dates, one-third (1/3) of the sum advanced hereunder, together with all unpaid accrued interest on the entire unpaid principal amount of the Loan shall be due and payable in full. The Loan, together with unpaid accrued interest may be prepaid in whole or in part at any time and from time to time without premium or penalty.

5. All sums received by the Bank, whether from the Borrower or otherwise shall be applied first to all costs and expenses incurred or arising as herein provided, second, to unpaid accrued interest at the rate or rates aforesaid, and, finally, to the unpaid principal balance of the Loan, in the order of maturity of such installments of cost, interest or principal.

ARTICLE II

CONDITION OF BANK'S OBLIGATION

Bank's obligation to advance the Loan hereunder shall be subject to the following conditions:

1. Bank shall have received a certified copy of a



resolution of the Board of Directors of Borrower in form satisfactory to Bank authorizing the execution of this Agreement and all other documents executed, issued or made hereunder.

2. At the time of the advance of the Loan there shall have been no material adverse change in any state of facts concerning Borrower from that represented in the financial statements and other materials provided by Borrower to Bank in applying for the Loan.

3. Bank shall have received from the insurer or insurers against whom the Insurance Claims have been made, written acknowledgment of the assignment and security interest created hereby, acknowledgment of their liability under such of the Insurance Claims as have been filed, and the agreement of such insurer or insurers to keep Bank apprised of the status of such claims, to cooperate reasonably with Bank and to pay all sums due under such Insurance Claims directly to Bank so long as this Agreement continues in effect.

4. Bank shall have received from Commercial Credit Industrial Corp., a Delaware corporation, its acknowledgment of and consent to this Agreement and the transactions contemplated hereby.

5. Bank shall have received an opinion of counsel to Borrower, acceptable in form and content to Bank and its counsel that, as of the date of the advance hereunder:

(a) Borrower has been duly incorporated and is validly existing and is in good standing as a corporation under the laws of the State of Florida and Borrower is duly qualified and in good standing in the District of Columbia.

(b) This Agreement and all documents evidencing and/or securing the Loan have been duly authorized, executed and delivered on behalf of Borrower and are the binding and enforceable obligations of Borrower, and that Borrower is obligated to

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repay the Loan, all accrued interest thereon and all costs and expenses arising hereunder.

(c) That either: (i) this Agreement, all related documents and agreements and the transactions contemplated hereby need not be approved or ratified by any federal, state or local jurisdiction, agency, commission or entity having jurisdiction; or (ii) that all such bodies have duly approved and/or ratified such documents and transactions.

(d) That all financing statements, filings and recordings necessary to grant to Bank a valid subsisting second lien security interest in the "Rolling Stock" (as hereafter defined) have been made and that upon the advance of the Loan by Bank, Bank will have valid and subsisting security interest in the Rolling Stock.

6. Bank shall not be obligated to advance the Loan after November 15, 1976.

ARTICLE III

ASSIGNMENT OF INSURANCE CLAIMS

1. As collateral security for repayment of the Loan, all accrued unpaid interest thereon, and all other sums provided for herein, and the performance by Borrower of the covenants, warranties and agreements contained herein, Borrower hereby sells, assigns, transfers and sets over to Bank all of its right, title and interest in and to all claims and proofs of loss which it may now have or which may hereafter arise against Transportation Mutual Insurance Company and/or any other insurer and/or re-insurer arising out of two derailments described as follows:

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- (1) March 7, 1976 - Train #3 - Quantico, Virginia
(2) May 5, 1976 - Train #4 - Jarrett, Virginia

Together with all proceeds of the insurance policies under which such claims and proofs have been or will be made, and all monies now due or to become due to Borrower under the aforesaid policies of insurance (herein collectively the "Insurance Claims").

Exhibit A attached hereto and by this reference made a part hereof constitutes a true and complete summary of the status of all such claims made to date, all anticipated claims to be made hereafter, the amount of each such claim or anticipated claim, the amount disbursed and/or reimbursed to Borrower or third parties under any such claim, and the amount remaining to be disbursed or reimbursed under each such claim. Borrower hereby represents and warrants to Bank that it has delivered to Bank true, correct and complete copies of all claims, proofs of loss and other materials relating to each and every such claim and will deliver true copies of all such materials relating to claims and proofs hereafter made.

2. Borrower hereby authorizes, empowers and directs Transportation Mutual Insurance Company and all other insurers and/or re-insurers to pay to Bank, by check or other instrument for payment, drawn directly to the order of Bank and not jointly to Bank and Borrower, any and all monies due or to become due to Borrower under or by virtues of such Insurance Claims up to the aggregate amount of the Loan plus interest and costs hereunder. Upon the happening of any "event of default" as hereafter defined, Borrower hereby irrevocably constitutes and appoints Borrower as its lawful attorney-in-fact, with full power of substitution and revocation in the premises, at the cost and expense of Borrower and in Borrower's name, or otherwise, to ask for, collect, demand and receive, to prosecute and sue for, by proceedings or otherwise, in any court of law or equity, to give acquittances for, all or any part of the sums due or to become due under said Insurance Claims, to withdraw, compromise or settle any claims,



suits or proceedings pertaining to or arising out of this assignment, upon any terms and conditions, all without notice to or assent by Borrower, and further to take possession of and endorse in the name of Borrower any check, warrant or other instrument for the payment of money received on account of any monies due or to become due under said Insurance Claims. Borrower also agrees that any payment or instrument for the payment of money which Borrower may receive on account of said Insurance Claims shall be held in trust by Borrower as the property of Bank and shall forthwith be deposited (duly endorsed by Borrower when necessary) as Bank shall direct.

3. Prior to any "event of default", Borrower covenants that it will promptly, duly and diligently file, prosecute and collect for Bank all Insurance Claims, all at its own cost and expense, and that it will keep Bank apprised of the status of all such Insurance Claims. Upon the happening of any "event of default", Borrower shall fully cooperate with Bank in prosecuting and collecting for Bank all Insurance Claims, provided that only such sums as are actually collected on such Insurance Claims shall be credited to Borrower's indebtedness hereunder and Borrower shall not seek to impose any defense or setoff to collection of the remaining balance (if any) of such indebtedness from Borrower arising out of Bank's prosecution and collection of such Insurance Claims except in the event of Bank's gross negligence and provided that Borrower shall not be required to independently prosecute and collect if pursuant to authority granted in paragraph 2 above Bank has instituted a legal action to collect such Insurance Claims. Borrower will keep and maintain, at its own cost and expense, satisfactory and complete records of all Insurance Claims. For the further security of Bank, Borrower agrees that Bank shall have a special property interest in all books and records of Borrower pertaining to the Insurance Claims. Bank at all times shall have full and free access to such books and records and the right at all times to examine the same and to take extracts therefrom.

INITIALS

4. Borrower shall mark all ledgers and other books and records pertaining to the Insurance Claims with an appropriate reference to the fact that the Insurance Claims have been duly assigned to the Bank. At Bank's request, Borrower agrees to deliver to Bank all original and other documents evidencing and relating to the Insurance Claims. Borrower shall cause Transportation Mutual Insurance Company and all other insurers and re-insurers involved in the Insurance Claims to acknowledge the foregoing assignment and the validity and status of such claims and to pay all sums due thereunder directly to Bank.

5. Upon payment in full of the Loan, all interest thereon, and all other costs and expenses provided for herein, at Borrower's sole expense, Bank shall notify all insurers of the termination of this security interest and execute such documents as may be reasonably necessary to terminate this assignment. All powers heretofore granted Bank relating to Insurance Claims shall likewise terminate and cease to have any force or effect.

6. All sums received by Bank from insurers under the Insurance Claims shall be applied by Bank to costs, accrued interest and principal provided for herein in the order aforesaid whether or not such sums are paid to Bank on any of the aforementioned payment dates.

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ARTICLE IV

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1. As collateral security for the payment by Borrower or otherwise of the Loan, all accrued unpaid interest thereon, and all other sums due under the terms and provisions hereof, and the performance by Borrower of the covenants, warranties, and agreements contained herein, Borrower hereby grants, sells, assigns, conveys, warrants, mortgages and confirms to Bank a security interest under the Uniform Commercial Code of the District of

Columbia in all of the machinery, equipment and other personal property (herein called "Rolling Stock") more fully described in Exhibit B attached hereto and by this reference made a part hereof, together with all proceeds thereof, replacements therefor, and accessions and accretions thereto.

2. Borrower warrants that it is or will be the owner of all Rolling Stock free and clear of any liens or encumbrances and will keep and maintain the same free and clear of all liens, encumbrances, charges and liens other than the lien of that certain Loan and Security Agreement between Borrower and Commercial Credit Industrial Corp. (hereafter "Commercial Credit"), dated December 23, 1975, and recorded as Recordation No. 8154 with the Interstate Commerce Commission, as supplemented by that certain Supplemental Purchase Money Security Agreement dated April 14, 1976, and recorded as Recordation No. 8154-A with the Interstate Commerce Commission and as supplemented by that certain Supplemental Purchase Money Security Agreement dated April 30, 1976, and recorded as Recordation No. 8154-B with the Interstate Commerce Commission.

3. Borrower covenants and agrees that it will keep and maintain the Rolling Stock in good order and repair and working condition, and that it will have and maintain insurance at all times against hazards, with companies, in amounts and form acceptable to Bank, with insurance policies endorsed to make the same payable first to Commercial Credit, then to Bank, as their respective interests may appear, and the same or certificates thereof shall be delivered to Bank immediately upon making of the advance representing the Loan. All loss recoveries received by Bank upon any such insurance may be applied and credited by Bank at its discretion to the unpaid balance owing on the Loan, all costs provided hereunder, and/or upon unpaid accrued interest, in Bank's sole discretion.



4. If Borrower fails to keep the Rolling Stock free and clear of all encumbrances, liens and charges, except as aforesaid, or to pay tax or public charges thereon, or to keep the same in order and repair, or fully insured as herein required, then Bank, at its sole discretion, may discharge such encumbrances, liens or charges, or pay such taxes, or other public charges, or procure and maintain such insurance or make such repairs as it may deem advisable. All sums of money thus expended, and all other monies paid by Bank to protect its interest in the Rolling Stock, shall be repaid by Borrower to Bank on demand and if not so repaid, shall be added to the Loan, bear interest and be secured as a portion of the Loan.

5. Borrower will, at its own expense, cause this Agreement, any agreements or supplements hereto, and any Financing Statements executed pursuant hereto to be filed, recorded or deposited and refiled, re-recorded or redeposited, if necessary, with the Interstate Commerce Commission and/or the Recorder of Deeds of the District of Columbia, and otherwise as may be required by law or requested by Bank for the purpose of proper protection, to the satisfaction of Bank's counsel, of its interest in the Rolling Stock and its rights under this Agreement for the purpose of carrying out the intention of this Agreement, and Borrower will promptly furnish to Bank certificates or other evidence of such filing, recording or depositing and an opinion or opinions of its counsel with respect thereto, satisfactory to Bank and its counsel.



ARTICLE V

BORROWER'S COVENANTS AND WARRANTIES

So long as any part of the Loan, any interest thereon or any other sums payable hereunder remain unpaid, Borrower covenants, warrants and agrees that:

1. It will duly and punctually pay or cause to be paid all sums to be paid to Bank hereunder.

2. It is a corporation duly organized and validly existing, and in good standing under the laws of the State of Florida, duly qualified in all states where necessary, and has the power and authority to make and perform this Agreement and to borrow and give the security provided for hereunder.

3. Neither this transaction nor any of the terms or conditions herein or in any other documents executed in connection with the transactions contemplated hereby are in violation of any of the provisions of the articles of incorporation or charter or by-laws of Borrower or of any mortgage, indenture, or loan or any other agreement of Borrower with any third parties and no statute, ruling, order or regulation now in effect or any governmental authority having jurisdiction over Borrower will be contravened by the execution and delivery of this Agreement, or any of the documents relating hereto, or by the performance of any terms, conditions or agreement or undertaking of Borrower provided for herein or in any instrument contemplated hereby, and the execution, delivery and performance of this Agreement, and any other agreements executed from time to time by Borrower and Bank pursuant hereto will have been duly authorized by all necessary corporate action of Borrower.

4. Borrower owns or possesses or has the right or licenses necessary for the conduct of its business as now conducted and as proposed to be conducted, without any known conflict with the rights of third parties. No event has occurred which permits, or after notice or lapse of time, or both, would permit, revocation or termination of any license or right of Borrower which materially adversely affects or in the future may materially adversely affect the business of Borrower.

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5. The balance sheet and profit and loss statement of Borrower dated July 31, 1976, heretofore provided to Bank, fairly reflect the financial condition of Borrower as of the date hereof. Since such date there have been no material adverse changes in the financial condition of Borrower from that shown by said financial statements as of the date thereof. Borrower has no contingent liabilities, other than those created in the ordinary course of business, which if such contingent liabilities became actual liabilities, would materially or adversely affect the financial condition or operations of Borrower, except as referred to or reflected or provided for in said financial statements and the notes thereto as of said date.

6. There are no proceedings pending or threatened before any court, office, commission or administrative agency against Borrower or involving Borrower's property or assets, which, if adversely determined, would have material adverse effect on the financial condition or business of Borrower or upon the Insurance Claims or on the Rolling Stock (which collateral is hereafter collectively referred to as the "Collateral"), except as disclosed to Bank in writing by Borrower at or immediately prior to the date hereof.

7. It will promptly pay and discharge all federal, state and local governmental taxes, impositions, assessments, fees and charges imposed on it or upon any of its property or assets, except in those cases where the validity or amount thereof is being contested in good faith by Borrower and such contest does not imperil the position or priority of Bank's liens with respect to the Collateral.

8. It will maintain at all times proper books of record and account in accordance with generally accepted accounting practices, consistently applied, and will permit Bank or any of its officers or authorized representatives to visit and

inspect the property of Borrower and to examine Borrower's books of account and other records at such times as are reasonable and will not interfere with the conduct of Borrower's business.

Within forty-five (45) days after the close of each quarter-annual accounting period of each fiscal year, Borrower shall furnish Bank with operating and financial statements including balance sheet, profit and loss statements and any earned surplus statement, as well as a certificate signed by one of Borrower's executive officers that Borrower is not in default under any of the provisions of this Agreement, and within ninety (90) days of the end of each fiscal year shall deliver to Bank a statement certified by an independent certified public accountant of recognized standing including Borrower's balance sheet and profit and loss statement and an earned surplus statement plus annual operating statement of Borrower.

9. Until the Loan, all interest, and all other sums due hereunder is paid in full, Borrower will not be merged into, consolidated with, reorganized or otherwise joined with, or become a part of any other company, without prior written consent of Bank.

10. The net depreciated present value of the Rolling Stock, as represented on the financial statements delivered to Bank is \$ 9,729,525.

11. All federal, state and local governmental authorities having jurisdiction over Borrower have fully and unconditionally approved the transactions contemplated hereby to the extent such approval is necessary.

12. Borrower shall fully and completely perform all of the terms, conditions and provisions of the aforementioned Loan and Security Agreement between Borrower and Commercial Credit, together with all supplements and amendments thereto. As of the date hereof the total unpaid balance due Commercial Credit is

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~~\$ 4,813,674.24~~ Any default under the aforementioned Loan and Security Agreement, any of the amendments and/or supplements thereto now or hereafter executed, and/or any other documents evidencing and/or securing Borrower's indebtedness to Commercial Credit shall constitute a default hereunder. Without the prior written consent of Bank, Borrower will not incur any additional indebtedness to Commercial Credit or any bank or institutional or commercial lender or factor or pledge, mortgage or otherwise encumber any of its existing property or assets.

ARTICLE VI

EVENTS OF DEFAULT; REMEDIES

1. The occurrence of any one or more of the following events shall be an event of default hereunder:

(a) If there shall be any default in the payment of any installment of principal, interest and/or any other sum provided for herein when the same shall become due and payable and such default continues for a period of ten (10) days;

(b) Any statement, representation or warranty made by Borrower to Bank hereunder or pursuant hereto, or any report, certificate, financial or other statement furnished pursuant to this Agreement is incorrect, incomplete or misleading in any material respect and, with respect to the breach of any warranty, such breach is not cured within twenty (20) days after written notice thereof from Bank to Borrower;

(c) Borrower defaults in the performance of or observance of any other term, covenant or agreement contained herein, and such default is not cured within twenty (20) days after written notice thereof from Bank to Borrower;

(d) Any license, consent or approval of any governmental body or other regulatory body required for the making or performance by Borrower of this Agreement or of any instrument

required hereunder, or the conduct of a material portion of the business of Borrower shall have been revoked, withdrawn, materially adversely modified or withheld, or shall otherwise fail to remain in full force and effect;

(e) If Borrower shall discontinue business or if Borrower makes an assignment for the benefit of creditors, files a petition in bankruptcy or for the appointment of a receiver or a trustee, or for reorganization, arrangement, dissolution or liquidation, or is adjudicated insolvent or bankrupt, or any such proceedings are filed against Borrower and are not stayed or dismissed within sixty (60) days, or any order approving the petition in any such proceedings is entered and is not stayed or dismissed within thirty (30) days, or Borrower by any act indicates its consent to, approval of, or acquiescence in any proceedings for the appointment of a receiver or trustee for Borrower or any substantial part of the property of Borrower.

2. Upon the happening of any event of default as specified in Section 1 of this Article VI, and the continuance of or failure to cure the same for the period, if any, specified herein, Bank may at its option declare the entire unpaid balance of the Loan and all unpaid accrued interest and costs payable, immediately, without further demand and Bank may then, or at any time thereafter, in its discretion, enforce its rights with respect to (a) the Collateral and/or (b) any other collateral pledged hereunder or secured hereby, and otherwise enforce its rights against Borrower until the entire balance of the Loan, all interest and costs (including attorneys' fees and all other reasonable costs and expenses incurred by Bank in connection therewith) have been paid in full. Bank may enforce any and all rights against Borrower either alternately or concurrently, and shall have full right to realize upon all security, collecting on the same or instituting proceedings in connection therewith,

until Bank has received payment in full of all amounts due hereunder. Should the net proceeds be insufficient to pay the same in full and there be any deficiency, Borrower shall promptly pay Bank such deficiency and any surplus remaining in the event of such collection being payable by Bank to Borrower as its interest may appear.

3. In the event of any default and acceleration of the indebtedness, Bank may, upon such further notice, if any, as may be required for compliance with any mandatory requirements of law then in force and applicable to the action to be taken by Borrower, take or cause to be taken by its agent or agents immediate possession of the Collateral or any item thereof without liability to return to Borrower any sums theretofore paid and free from all claims whatsoever, except for the prior claim of Commercial Credit to the Rolling Stock, and may remove the same from possession and use of Borrower and for such purposes may enter upon the premises of Borrower or where the Collateral may be located and may use and employ in connection with such removal any supplies, services and aids and any available trackage and other facilities or means of Borrower with or without process of law.

4. In case Bank shall rightfully demand possession of the Rolling Stock in pursuance of this Agreement and shall reasonably designate a point or points upon the lines of Borrower for the delivery of the Rolling Stock to Bank, Borrower, shall at its own expense, forthwith and in the usual manner, cause the Rolling Stock to be moved to such point or points as shall be reasonably designated by Bank and shall there deliver the Rolling Stock or cause it to be delivered to Bank; and, at the option of Bank, Bank may keep the Rolling Stock on any of such lines of railroad or premises of the Borrower, for a period not exceeding 180 days, until Bank shall have leased, sold or otherwise disposed of the



same, and for such purpose the Borrower agrees to furnish, without charge for rent or storage, the necessary facilities at any point or points selected by Bank reasonably convenient. The agreement to deliver the Rolling Stock as herein provided is of the essence of this Agreement between the parties, and, upon application to any court of equity having jurisdiction, Bank shall be entitled to a decree against Borrower requiring specific performance hereof. Borrower hereby expressly waives any and all claims against Bank and its agent or agents for damages of whatever nature in connection with any retaking of any item of Rolling Stock in any reasonable manner.

5. Bank with or without the retaking of possession thereof may, at its election, sell the Collateral, or any item thereof, free from any and all claims of the Borrower, or of any other party claiming by, through or under the Borrower, at law or in equity, at public or private sale and with or without advertisement as Bank may determine; and the proceeds of such sale, less the attorneys' fees and any other expenses incurred by Bank in taking possession of, removing, storing and selling the Collateral, shall be credited to the amount due to Bank under the provisions of this Agreement. Any sale hereunder may be held or conducted at such place or places and at such time or times as Bank may specify, in one lot and as an entirety, or in separate lots and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner as Bank may determine, provided that the Borrower shall be given written notice of such sale not less than ten (10) days prior thereto, by mail addressed as provided herein. If such sale shall be a private sale, it shall be subject to the right of Borrower to purchase or provide a purchaser, within ten days after notice of the proposed sale price, at the same price offered by the intending purchaser or a better price. Bank may bid for and



become the purchaser of the Collateral, or any item thereof, so offered for sale without accountability to Borrower (except to the extent of surplus money received as hereinafter provided in this Section), and in payment of the purchase price therefor shall be entitled to have credited on account thereof all sums due to Bank from the Borrower hereunder.

6. Upon any happening of any default as specified in Section 1 of this Article VI, and the continuance or failure to cure the same for the period, if any, specified herein, Bank may, without prior notice, appropriate any and all monies in its possession on deposit or otherwise, to the credit of or belonging to Borrower and apply the same to any indebtedness to Bank of Borrower.

7. Notwithstanding any other provision hereof, the remedies made available to Bank in this Article VI with respect to the Rolling Stock are hereby made specifically subject and subordinate to the prior liens, encumbrances and claims of Commercial Credit enjoyed by it as a consequence of the agreements described in paragraph 2 of Article IV.

ARTICLE VII

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1. Bank shall be permitted to assign its rights hereunder. Bank may, without notice to anyone, sell, assign or otherwise transfer all or any part of its right, title and interest in and to this Agreement and/or any other documents issued hereunder, or any part thereof, with or without assignment or transfer of collateral, or grant participations therein or herein, and in such event, each and every immediate or remote assignee, transferee or holder of or participant in any rights sold, assigned or transferred shall have the right to enforce this Agreement and any other documents issued hereunder by suit

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or otherwise, for its benefit, as fully as if herein by name specifically given such right. Borrower shall not be permitted to assign its rights hereunder without prior written consent of Bank.

2. Any notice to be given hereunder shall be in writing and hand-delivered or mailed postage prepaid by certified or registered mail to Bank or to Borrower at their respective addresses set forth hereinabove. Any party may by proper written notice to the other parties change the address to which such notices shall thereafter be given.

3. This Agreement and all documents delivered pursuant hereto shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns and shall be interpreted in accordance with the laws of the District of Columbia.

4. All rights and remedies of Bank hereunder are cumulative and not alternative, and are in addition to any rights granted to Bank in any other documents issued hereunder or by law. Indulgence by Bank with respect to any of the terms and conditions herein or therein contained or failure of Bank to exercise any of its rights hereunder or thereunder shall not constitute a waiver thereof, and Borrower shall remain liable for strict performance of all its undertakings until the Loan, and all attorney's fees, costs of collection, if any, and interest shall be fully paid in accordance with the terms hereof.

5. Upon termination hereof, Bank shall promptly execute all the documents and take all steps required to release all security interests in the Collateral, all at no expense to Bank, and all powers or rights granted Bank relating to Borrower shall likewise terminate and cease to have any force or effect.

6. Borrower agrees to deliver such further documents of sale, pledge, assignment or transfer, as Bank may from time




to time reasonably require to carry out the intent hereof or to perfect, maintain or defend the lien of its security interest in any of the Collateral.

7. Borrower agrees to pay the cost of recording or filing Financing Statements, Continuation Statements, Termination Statements, this Agreement, and any other documents the Bank deems necessary for the perfection, maintenance or defense of any security interest or lien granted to Bank pursuant hereto or pursuant to any documents issued hereunder.

IN WITNESS WHEREOF, the parties hereto cause these presents to be executed under seal as of the day and year first above written, District of Columbia National Bank, Washington, having caused these presents to be signed by Robert P. Pincus its Vice President, its seal to be affixed by T.H. Schellward, its Sec. Vice President and has appointed said Robert P. Pincus, its true and lawful attorney-in-fact to acknowledge and deliver the same, and Auto-Train Corporation has caused these presents to be signed by James K. Karpman, its President, its corporate seal to be thereunto affixed by Philip C. Gaudin, its Asst. Secy, and does appoint said James K. Karpman as its true and lawful attorney-in-fact to acknowledge and deliver the same.

ATTEST:

DISTRICT OF COLUMBIA NATIONAL BANK,
WASHINGTON
A National Banking Association


T.H. Schellward
[Seal] Sec. Vice Pres.

By: Robert P. Pincus
Vice President

ATTEST:

AUTO-TRAIN CORPORATION
A Florida Corporation

Philip C. Gaudin
[Corporate Seal] Asst. Sec.

By: James K. Karpman

Dist. of Columbia) ss:

Before me, a Notary Public in and for the jurisdiction aforesaid, personally appeared this date, November 3rd, 1976, personally well known (or satisfactorily proven) to me to be the Vice President of DISTRICT OF COLUMBIA NATIONAL BANK, WASHINGTON, a national banking association, who, being by me first duly sworn, did acknowledge that he, as the duly authorized officer of said national banking association, executed the foregoing and annexed Instrument, in the name and on behalf of said national banking association, as its free act and deed for the uses and purposes therein contained.

WITNESS my hand and official seal this 21 day of November, 1976.

C. L. D. M. H.
Notary Public

[Notarial Seal]

My Commission Expires: 02-20-96

District of Columbia } ss:

Before me, a Notary Public in and for the jurisdiction aforesaid, personally appeared this date, 1976, personally well known (or satisfactorily proven) to me to be the AUTO-TRAIN CORPORATION of A Florida corporation, who, being by me first duly sworn, did acknowledge that he, as the duly authorized officer of said corporation, executed the foregoing and annexed Instrument, in the name and on behalf of said corporation, as its free act and deed for the uses and purposes therein contained.

WITNESS my hand and official seal this 3rd day of November, 1976.

Carl D. M...th
Notary Public

[Notarial Seal]

My Commission Expires: 5-31-81

INSURER'S CERTIFICATE

The undersigned, TRANSPORTATION MUTUAL INSURANCE COMPANY ("Transportation Mutual"), acting by and through its duly authorized agent, on behalf of itself and any and all re-insurers hereby certifies to and agrees with DISTRICT OF COLUMBIA NATIONAL BANK, WASHINGTON ("Bank") as follows:

(i) That Transportation Mutual has received a copy of the within Loan and Security Agreement to which this Certification is appended and of which it comprises a part;

(ii) That it consents to the assignment of Insurance Proceeds referred to in said Agreement and acknowledges the same;

(iii) That to the best of its knowledge Transportation Mutual and its reinsurers are the sole insurers involved in the Insurance Claims (as defined in the within Loan and Security Agreement) and that it has no knowledge of any other assignment by Auto-Train Corporation of any of the Insurance Claims;

(iv) That Exhibit A to said Agreement contains a accurate list of all claims and proofs of loss filed with it by Auto-Train Corporation and that the summary of such claims contained in Exhibit A is an accurate summary of such claims and proofs filed to date;

(v) That Transportation Mutual hereby acknowledges its liability, and that of its re-insurers under such policies of insurance and, subject to adjustment, the amount of such claims;

(vi) That Transportation Mutual will cooperate with Bank and Auto-Train Corporation in prosecuting such claims and proofs of loss, that it will execute such acknowledgments of the within assignment as Bank may request, and that it will pay



all losses and claims under such policy directly to Bank until payment in full of the indebtedness referred to in the attached Agreement.

EXECUTED this 29th day of October, 1976.

ATTEST:

TRANSPORTATION MUTUAL INSURANCE
COMPANY

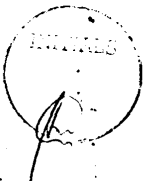
Charles T. Mason

By:

Rodney J. Adams

Secretary

[Corporate Seal]



LENDER'S CERTIFICATION

The undersigned, COMMERCIAL CREDIT INDUSTRIAL CORP. ("Commercial Credit"), a Delaware corporation, hereby agrees with and certifies to DISTRICT OF COLUMBIA NATIONAL BANK, WASHINGTON, a national banking association (hereinafter referred to as "Bank"), as follows:

(i) Commercial Credit hereby acknowledges receipt of a copy of the within Loan and Security Agreement to which this Certification is appended and of which it constitutes a part (hereinafter referred to as "Loan Agreement");

(ii) Notwithstanding any of the terms or conditions of the Loan and Security Agreement between Commercial Credit and Auto-Train Corporation dated December 23, 1972, the amendments, supplements and notes pursuant thereto or other documents or agreements relating thereto between Auto-Train Corporation and Commercial Credit (collectively hereinafter referred to as the "Commercial Credit Loan Agreement") Commercial Credit hereby consents to the execution, delivery and performance of the Loan Agreement by Auto-Train Corporation and the same shall not be considered event of default under the Commercial Credit Loan Agreement provided that Bank shall not excuse the payment or performance of any term or condition thereof to a date later than April 30, 1977.

(iii) To the best of Commercial Credit's knowledge, Auto-Train Corporation is not presently in default, beyond any

applicable period of grace, no state of facts exists which, with the passage of time, will constitute a default, under the aforementioned Commercial Credit Loan Agreement with Auto-Train Corporation.

(iv) In the event of any default by Auto-Train Corporation on or prior to April 30, 1977, under the Commercial Credit Loan Agreement, Commercial Credit shall give written notice thereof to Bank at Suite 200, 1801 K Street N.W., Washington, D.C. 20006, Attention: Robert P. Pincus, and shall give Bank a like period of grace, coterminous with that granted Auto-Train Corporation, if any, and which, at its option, Bank may cure any such default occurring prior to April 30, 1977.

(v) In consideration of the foregoing, Bank agrees that in the event of any default by Auto-Train Corporation under the Loan Agreement on or prior to April 30, 1977, Bank will give written notice thereof to Commercial Credit at its offices at 300 St. Paul Place, Baltimore, Maryland 21202, Attention: C. J. Condax, Vice President.

EXECUTED THIS 3rd day of November, 1976.

ATTEST:

COMMERCIAL CREDIT INDUSTRIAL CORP.
A Delaware Corporation

P

AA McChesney
(Corporate Seal)

By:

John K. Kishinsky

AUTO-TRAIN CORPORATION
SUMMARY OF INSURANCE CLAIM STATUS 10/29/76

	<u>Costs Incurred or Expended</u>	<u>Estimated Additional Costs</u>	<u>Total Anticipated Insurance Proceeds</u>
<u>MARCH 7, 1976 - DERAILMENT</u>			
Passengers Automobiles and Contents			
Recoverable claims paid	\$ 27,230		\$ 27,230
Estimated additional claims to be settled (29 claims)		\$ 49,000	49,000
Auto-Train Rolling Stock Repair			
Expediting expense - Auto-Train labor	30,000		30,000
Travel and expense account	2,000		2,000
Rental equipment	1,000		1,000
Freight	600		600
Repair parts	18,000		18,000
5 auto carrier truck sets			
Net of value for damaged trucks	75,000		75,000
Paint and minor repair - 6 cars		10,000	10,000
Steam Generator Car #138			
<u>Costs will Exceed Insured Value</u>			
Body repair - Fruit Growers	34,000		34,000
High speed truck - Santa Fe	20,350		20,350
Wheels	800		800
Rebuilding interior - Auto-Train forces and material		50,000	50,000
Credit for Scrap - AT-38 & AT-52	(1,920)		(1,920)
TOTALS - March 7, 1976	<u>\$207,060</u>	<u>\$109,000</u>	<u>\$316,060</u>

INITIALS

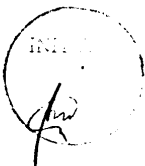


AUTO-TRAIN CORPORATION

	<u>Costs Incurred or Expensed</u>	<u>Estimated Additional Costs</u>	<u>Total Anticipated Insurance Proceeds</u>
<u>MAY 5, 1976 - DERAILMENT</u>			
Passengers Automobiles and Contents			
*Proof of Loss Submitted 9/30/76	\$ 45,550		\$ 45,550
Recoverable claims paid	28,400		28,400
Estimated additional claims to be settled (20 claims)		\$ 36,500	36,500
Road Bed - Clearing Wreck & Repairing			
Seaboard Coast Line Railroad - claim submitted to adjuster for carrier	294,400		294,400
RF&P Railroad	2,900		2,900
Auto-Train - Rolling Stock			
Freight - damaged cars and repair parts	50,000	15,000	65,000
Repair parts - supplied by Auto-Train	157,200	50,000	207,200
Repairs by Southern Iron - parts/labor	90,500	110,000	200,500
AT-51 to be scrapped	49,800		49,800
Expediting expense - Auto-Train labor	20,000	5,000	25,000
Travel and expense account	1,500	300	1,800
Business Interruption	250,000		250,000
TOTALS - May 5, 1976	<u>990,250</u>	<u>216,800</u>	<u>1,207,050</u>
GRAND TOTAL - BOTH DERAILMENTS	<u>\$ 1,197,310</u>	<u>\$ 325,800</u>	<u>\$ 1,523,110</u>

NOTE: This report does not include insurance company proceeds received to date - \$1,085,000. The deductibles of \$200,000 in the policy have been applied to previous claims and are not included above.

*This claim may be settled on October 28, 1976.



AUTO-TRAIN CORPORATION

Schedule of Rolling Stock Subject to a Security
Interest by District of Columbia National Bank

<u>*Numbers (AT-)</u>	<u>Car Type</u>	<u>Number of Cars</u>	<u>Original Cost</u>	<u>Depreciated Book Value 4/30/76</u>
3-7, 10, 12, 14-18, 20-28	Bi-Level Auto Carrier	21	\$ 1,309,335	\$ 1,080,748
100	Tri-Level Auto Carrier	1	152,275	144,966
130, 132, 134	Steam Generator	3	82,117	75,034
136-138	Steam Generator	3	244,186	194,431
190-193, 195, 196	Single Level Auto Carrier	6	78,696	76,493
201-206	Sleeper	6	749,628	675,810
304-305	Sleeper	2	190,809	175,076
460-464 470, 471	Mini-Dome Coach	7	1,042,486	885,937
510-515	Full-Dome Coach-Dorm	6	1,461,235	1,167,803
520-524	Full-Dome Coach	5	1,215,659	970,363
540-541	Full-Dome Night Club	2	375,412	308,973
542-543	Maxi-Dome Night Club	2	233,959	210,101
570	Buffet	1	142,780	125,812
580	Buffet	1	142,393	131,001
590, 592, 594, 596, 598	Buffet	5	212,829	169,465
591, 595, 597, 599	Kitchen-Dorm	4	238,022	208,024
700-709	Maxi-Dome Coach	10	1,072,785	964,835
803, 804 806-808	Maxi-Dome Diner	5	152,912	145,397
802	Maxi-Dome Coach-Lounge	1	130,114	122,579
101-120	Tri-Level Auto Carriers	20	1,898,957	1,896,677
		<u>111</u>	<u>\$11,126,589</u>	<u>\$9,729,525</u>

*All car numbers have the prefix AT-

